

BANK INDONESIA REGULATION
NUMBER 14/2/PBI/2012
ON
AMENDMENT TO
BANK INDONESIA REGULATION NUMBER 11/11/PBI/2009 ON
IMPLEMENTATION OF CARD-BASED PAYMENT INSTRUMENT ACTIVITIES

BY THE BLESSINGS OF ALMIGHTY GOD,

GOVERNOR OF BANK INDONESIA,

- Considering:
- a. that prudential and consumer protection aspects in the implementation of card-based payment instrument activities must receive more attention;
 - b. that the issuance of credit cards by issuers of card-based payment instruments has not fully in observance of credit risk management;
 - c. that based on the foregoing considerations as referred to in point a and point b, it is necessary to amend Bank Indonesia Regulation Number 11/11/PBI/2009 on Implementation of Card-Based Payment Instrument Activities;

- Observing: 1. Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1992 Number 31, Supplement to State Gazette of the Republic of Indonesia Number 3472) as amended by Law Number 10 of 1998 (State Gazette of the Republic of 1998 Number 182, Supplement to State Gazette of the Republic of Indonesia Number 3790);
2. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as amended several times and last, by Law Number 6 of 2009 on Issuance of Government Regulation in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia becomes a Law (State Gazette of the Republic of Indonesia of 2009 Number 7, Supplement to State Gazette of the Republic of Indonesia Number 4962);
3. Law Number 21 of 2008 on Sharia Banking (State Gazette of the Republic of Indonesia of 2008 Number 94, Supplement to State Gazette of the Republic of Indonesia Number 4867);
4. Law Number 3 of 2011 on Fund Transfer (State Gazette of the Republic of Indonesia of 2011 Number 39, Supplement to State Gazette of the Republic of Indonesia Number 5204);

HAS DECIDED:

To enact: BANK INDONESIA REGULATION ON AMENDMENT TO BANK
INDONESIA REGULATION NUMBER 11/11/PBI/2009 ON
IMPLEMENTATION OF CARD-BASED PAYMENT
INSTRUMENT ACTIVITIES.

Article I

Several provisions of Bank Indonesia Regulation Number 11/11/PBI/2009 on Implementation of Card-Based Payment Instrument Activities (State Gazette of the Republic of Indonesia of 2009 Number 64, Supplement to State Gazette of the Republic of Indonesia Number 5000) are amended as follows:

1. The provisions of Article 1 point 10 is amended, and 1 (one) point is added, namely point 15 so as to read as follows:

Article 1

1. Bank means a Commercial Bank and a Rural Bank as referred to in Law Number 7 of 1992 on Banking as amended by Law Number 10 of 1998, including branch offices of foreign banks in Indonesia, and Sharia Commercial Bank and Sharia Rural Finance Bank as referred to in Law Number 21 of 2008 on Sharia Banking.
2. Non-Bank Institution means a non-Bank business entity incorporated and established based on Indonesia law.
3. Card-Based Payment Instrument, hereinafter referred to APMK means a payment instrument in the form of credit card, automated teller machine (ATM) card and/or debit card.
4. Credit Card means an APMK, which may be used for payment of

liabilities arising from an economic activity, including purchases and/or cash advances, in which payment obligation of a card holder must be first fulfilled by an acquirer or issuer, and the card holder is required to subsequently make payment in the agreed time, whether in whole (charge card) or in installments.

5. ATM Card means an APMK, which may be used for cash withdrawals and/or fund transfers in which the obligations of the card holder must be immediately fulfilled by directly deducting the deposits of the card holder with a Bank or Non-Bank Institution authorized to gather fund based on the applicable laws and regulations.
6. Debit Card means an APMK, which may be used for payment of obligations arising from an economic activity, including purchases, in which the obligations of a card holder must be immediately fulfilled by directly deducting the deposits of a card holder with a Bank or Non-Bank Institution authorized to gather fund based on the applicable laws and regulations.
7. Card Holder means the lawful user of APMK.
8. Principal means a Bank or Non-Bank Institution responsible for system management and/or network among its members, whether acting in the capacity of issuer and/or acquirer in APMK transactions and the cooperation with its members is based on a written agreement.
9. Issuer means a Bank or Non-Bank Institution issuing APMK.
10. Acquirer means a Bank or Non-Bank Institution which:
 - a. cooperate with a merchant so that the merchant allowed to process transactions using APMK issued by a party other than the Acquirer concerned; and
 - b. is responsible for settlements of payments to merchants.

11. Merchant means a seller of goods and/or services who receives payment from transactions that use Credit Cards and/or Debit Cards.
12. Switching Company means a company providing switching or routing services for electronic transactions using APMK through a terminal such as ATM or Electronic Data Capture (EDC) in order to obtain authorization from the Issuer.
13. Clearing Provider means a Bank or Non-Bank Institution which calculates the financial rights and obligations of the respective Issuer and/or Acquirer in the framework of APMK transactions.
14. Settlement Provider means a Bank or Non-Bank Institution which conducts and is responsible for the settlement of the financial rights and obligations of the respective Issuer and/or Acquirer in the framework of APMK transactions based on the calculation result of the Clearing Provider.
15. Subcontract of Partial Work to Another Party, hereinafter referred to as Alih Daya, means subcontracting partial work to a service provider company under an outsourcing agreement and/or labor service supply agreement.

2. Provisions of Article 12 are amended so as to read as follows:

Article 12

- (1) A Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider which have obtained license by Bank Indonesia may cooperate only with Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers already obtained license by Bank Indonesia.

- (2) The plan and realization of the cooperation between a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider as referred to in paragraph (1) is required to be reported to Bank Indonesia.
- (3) Further provisions on the mechanism of reporting of the plan and realization of the cooperation between a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider as referred to in paragraph (2) are regulated in a Circular Letter of Bank Indonesia.

3. The provisions of Article 13 are amended so as to read as follows:

Article 13

- (1) In the event that a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider cooperates with another party which provides supporting services in a system and information technology in the implementation of APMK, then the Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider are required to:
 - a. fulfill the provisions of Bank Indonesia on the prudential principles for commercial Banks which conduct Alih Daya (Outsourcing);
 - b. fulfill the provisions of Bank Indonesia on risk management application in the use of information technology by commercial Banks;
 - c. have an evidence of reliability and security of the system used by the other party, among others proven by :
 - 1. an audit report of an information technology from an independent auditor; and

2. a certification report conducted by a Principal, if required by the Principal.
 - d. require the other party to maintain data and information confidentiality;
 - e. report to Bank Indonesia any plan and realization of the cooperation with the other party.
- (2) The provisions as referred to in paragraph (1) shall also apply to a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider of Non-Bank Institutions.
 - (3) Further provisions on the mechanism of reporting of the plan and realization of the cooperation between a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider as referred to in paragraph (1) are regulated in a Circular Letter of Bank Indonesia.
4. The provisions of Article 15 are amended so as to read as follows:

Article 15

- (1) Credit Card implementation by a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider in the form of Banks are required to apply risk management in accordance with the provisions of Bank Indonesia on risk management.
- (2) Credit Card implementation by a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider in the form of Non-Bank Institutions shall refer to provisions on risk management for Non-Bank Institutions.
- (3) In the event that there are no provisions on risk management for Non-Bank Institutions as referred to in paragraph (2), risk management application for Non-Bank Institutions shall comply with Bank Indonesia provisions on risk management.

5. Between Article 15 and Article 16, 1 (one) article, namely Article 15A is inserted so as to read as follows:

Article 15A

- (1) In the application of risk management as referred to in Article 15, a Credit Card Issuer is required to apply credit risk management by observing at least the following requirements:
 - a. the minimum limit of age of a Card Holder applicant;
 - b. the minimum limit of income of a Card Holder applicant;
 - c. the maximum limit of credit ceiling which may be extended to a Card Holder;
 - d. the maximum limit of number of Issuers which may provide Credit Card facilities; and
 - e. the minimum limit of payment by a Card Holder.
- (2) For the application of credit risk management as referred to in paragraph (1) point a, point b, point c, and point d, a Credit Card Issuer is required to update a Card Holder's data.
- (3) In the event that a Card Holder has a certain monthly income above the minimum limit of income as referred to in paragraph (1) point b, an Issuer may extend credit ceiling and number of Credit Cards based on the Issuer's risk analysis.
- (4) The provisions as referred to in paragraph (1) also apply for provision of Credit Card facility guaranteed by:
 - a. another party, including a Card Holder's company or corporation; and/or
 - b. deposit of a Card Holder at the Issuer.

- (5) The minimum limit of age of a Card Holder applicant, minimum limit of income of a Card Holder applicant, maximum limit of credit ceiling, maximum limit of number of Credit Card Issuers, minimum limit of payment by a Card Holder as referred to in paragraph (1) shall be determined by Bank Indonesia.
- (6) Further provisions on determination by Bank Indonesia as referred to in paragraph (5) and mechanism to update the Card Holder's data as referred to in paragraph (2) are regulated in a Circular Letter of Bank Indonesia.

6. The provisions of Article 16 are amended so as to read as follows:

Article 16

- (1) A Credit Card Issuer is required to provide written information to a Card Holder at least includes :
 - a. procedure and mechanism of the use of a Credit Card;
 - b. important matters to be observed by a Card Holder in the use of a Credit Card and the consequences or risks potentially arising from the use of a Credit Card;
 - c. rights and obligations of a Card Holder;
 - d. filing complaints mechanism and time estimation to handle the complaints;
 - e. scheme, mechanism and components as the basis of calculation of Credit Card interest, fees, and fines;
 - f. the type of fees and fines imposed;
 - g. procedure and mechanism for termination and/or closing of Credit Cards facility; and

- h. summary of Credit Card Holder transactions at the request and/or with the approval of the Credit Card Holder.
 - (2) In the event of information change as referred to in paragraph (1), a Credit Card Issuer is required to submit such information change in writing to a Card Holder.
 - (3) Further provisions on the mechanism of written information submission as referred to in paragraph (1) and paragraph (2) are regulated in a Circular Letter of Bank Indonesia.
7. Between Article 16 and Article 17, 2 (two) articles namely Article 16A and Article 16B are inserted so as to read as follows:

Article 16A

- (1) A Credit Card Issuer is required to submit a billing statement to a Card Holder in a correct, accurate, and punctual manner.
- (2) An Issuer is required to inform an extended payment time if a due date falls on a holiday.
- (3) An Issuer is prohibited from imposing any fine to a Card Holder who pays his/her Credit Card billing during the extended payment time as referred to in paragraph (2).
- (4) Further provisions on the time period of a billing statement submission as referred to in paragraph (1) and the extended payment time as referred to in paragraph (2) are regulated in a Circular Letter of Bank Indonesia.

Article 16B

- (1) An Issuer is required to specify information in a billing statement submitted to a Card Holder at least include:
 - a. the billing amount;

- b. the minimum limit of payment of a Card Holder;
 - c. explanation of detailed information on interest and fines, if any;
 - d. credit ceiling and remaining credit ceiling;
 - e. transaction date;
 - f. posting date;
 - g. the amount of transaction value in foreign currency and rupiah as well as information on exchange rates for transactions made overseas;
 - h. billing print date;
 - i. payment due date;
 - j. extended payment time if a due date falls on a holiday;
 - k. monthly interest rate percentage and annualized interest rate percentage of a purchase of goods or services transaction, and cash advance;
 - l. nominal amount of interest rates;
 - m. amount of fees (costs); and
 - n. amount of fines for late payment by a Card Holder, if any.
- (2) In the event of information change as referred to in paragraph (1), a Credit Card Issuer is required to submit the information change in writing to a Card Holder.
- (3) Further provisions on the mechanism of written information submission set forth in paragraph (1) are regulated in a Circular Letter of Bank Indonesia.

8. The provisions of Article 17 are amended so as to read as follows:

Article 17

- (1) In extending a Credit Card facility, a Credit Card Issuer in the form of a Bank is required to formulate and implement credit policies in accordance with Bank Indonesia provisions on obligations of formulation and implementation of bank credit policies for commercial Banks.
- (2) The formulation and implementation of credit policies in extending Credit Card facility by a Credit Card Issuer in the form of a Non-Bank Institution is required to refer to the provisions on formulation and implementation of credit policies by Non-Bank Institutions.
- (3) In the event that there is no provisions on obligations of formulation and implementation of credit policies for Non-Bank Institutions, a credit extension in the form of Credit Card facility by Non-Bank Institutions shall refer to Bank Indonesia provisions on obligations of formulation and implementation of credit policies.
- (4) Credit quality of Credit Cards is required to be assessed by a Credit Card Issuer in the form of a Bank by complying with Bank Indonesia provisions on credit quality assessment by a commercial Banks.
- (5) The assessment of credit quality of Credit Cards is required to be conducted by a Credit Card Issuer in the form of Non-Bank Institution by complying with the provisions on credit quality assessment by Non-Bank Institutions.
- (6) In the event that there is no provisions for assessment of credit quality of Credit Cards for Non-Bank Institutions, such credit quality shall refer to Bank Indonesia provisions on assessment of credit quality of Credit Cards.
- (7) Rate of interest accruing on Credit Card transactions is required to be calculated by a Credit Card Issuer by observing at least the

following:

- a. for purchase transactions, interest will accrue if a Card Holder fails to make a payment, makes partial payment, or makes full payment after its due date;
- b. for cash advance transactions, interest will accrue if a Card Holder fails to make a payment, makes partial payment, or makes full payment before or after its due date;
- c. the calculation of days of interest on Credit Card debts is conducted based on and starting from the Issuer's posting date;
- d. fees and fines, as well as payable interest are prohibited from being used as interest calculation components;
- e. daily interest rate is determined based on the calculation of number of the calendar days in a year and determined for 365 (three hundred and sixty-five) days.

9. Between Articles 17 and Article 18, 2 (two) articles, namely Article 17A and Article 17B are inserted so as to read as follows:

Article 17A

- (1) Bank Indonesia shall determine the maximum limit of a Credit Card interest rate, and it is required to be complied with by Credit Card Issuers.
- (2) Bank Indonesia shall announce the maximum limit of a Credit Card interest rate at a minimum of 20 (twenty) working days prior to its effectiveness.
- (3) The determination of the maximum limit of a Credit Card interest rate as referred to in paragraph (1) shall apply to purchase and cash advance transactions using credit cards.
- (4) Further provisions on determination of maximum limit of Credit Card interest rate are regulated in a Circular Letter of Bank Indonesia.

Article 17B

- (1) In the collection of Credit Card, Issuers are required to comply with the code of ethics of Credit Card debt collection.
- (2) Credit Card Issuers are required to guarantee that the debt collection of Credit Card which is conducted either by themselves or by using debt collector services, must comply with Bank Indonesia provisions and the applicable laws and regulations.
- (3) In the event that a debt collection of Credit Card uses a service of another party as referred to in paragraph (2), the Issuer is required to guarantee that:
 - a. the quality of the debt collection is the same as if it is conducted by the Issuer;
 - b. the debt collection of Credit Card is only for the Credit Card debts with certain quality.
- (4) Further provisions on code of ethics of Credit Card debt collection as referred to in paragraph (1) and debt quality of Credit Card whose collection may be delegated as referred to in paragraph (3) point b are regulated in a Circular Letter of Bank Indonesia.

10. Article 18 is amended so as to read as follows:

Article 18

- (1) Credit Cards must not be used for purposes other than their function as means of payment.
- (2) Issuers and Acquirers are required to ensure that Credit Cards are not used for purposes other than their function as means of payment.
- (3) Credit Card Issuers shall not provide any additional features to Credit Cards which purpose is to pay installments of other credit

facilities.

- (4) Credit Card Issuers shall not provide any facilities which may incur additional fees to a Card Holder and/or provide any facilities other than the Credit Card key function without written approval of the Card Holder.

11. The provisions of Article 21 are amended, so as to read as follows:

Article 21

- (1) In the event that an Issuer cooperates with other party which provides supporting services in the implementation of APMK, the Issuer is required to :
 - a. fulfill the provisions of Bank Indonesia on the prudential principles for Banks that subcontract partial work to other party;
 - b. report to Bank Indonesia its plan and realization cooperation with other party which provide supporting services in the implementation of APMK;
 - c. require other party which provides supporting services in the implementation of APMK to maintain the confidentiality of data and information.
- (2) Further provisions on the procedure for reporting the plan and realization cooperation between a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider with other party which provides supporting services in the implementation of APMK as referred to in paragraph (1) are regulated in a Circular Letter of Bank Indonesia.

12. The provisions of Article 25 are amended so as to read as follows:

Article 25

Any actions aiming to make payments or fulfil obligations within the Republic of Indonesia by using Credit Cards, ATM Cards, and/or Debit Cards are required to use rupiah.

13. Between Article 29 and Article 30, 1 (one) article is inserted, namely Article 29A is inserted so as to read as follows:

Article 29A

- (1) In order to improve a transaction security, an Issuer is required to implement transaction alerts to a Card Holder for transactions with certain criteria.
- (2) The transaction alerts as referred to in paragraph (1) is required to be conducted via a short message service.
- (3) The transaction alerts may be conducted by any means other than the short message service as referred to in paragraph (2) at the request of a Card Holder.
- (4) Further provisions on transaction alerts are regulated in a Circular Letter of Bank Indonesia.

14. The provision of Article 30 is amended so as to read as follows:

Article 30

The implementation of APMK by Sharia Commercial Banks, Sharia Rural Financial Banks, or sharia business units shall comply with this Bank Indonesia Regulation by referring to the applicable sharia principles.

15. The provisions of Article 32 are amended so as to read as follows:

Article 32

- (1) Any Principals, Issuers, and/or Acquirers are required to provide a system which may be connected with other APMK.
- (2) Further provisions on the obligations to provide a system which may be connected with other APMK systems as referred to in paragraph (1) are regulated in a Circular Letter of Bank Indonesia.

16. The provisions of Article 33 are amended so as to read as follows:

Article 33

- (1) In the event of change of data and/or information in documents submitted at the time of license application to Bank Indonesia, any Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK are required to report such change in writing to Bank Indonesia.
- (2) Further provisions on reporting mechanism of change of name, address, and/or information in a certain document as referred to in paragraph (1) are regulated in a Circular Letter of Bank Indonesia.

17. Between Article 36 and Article 37, 1 (one) article, namely Article 36A is inserted so as to read as follows:

Article 36A

- (1) Bank Indonesia is authorized to determine a policy on limitation of Principals, Issuers, Acquirers, Clearing Providers, and/or

Settlement Providers of APMK.

- (2) In the framework of the limitation of Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK as referred to in paragraph (1), Bank Indonesia shall be authorized to close and reopen the opportunity to apply for a license as a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider of APMK.
- (3) The limitation of Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK as referred to in paragraph (1) shall be based on considerations, among others: efficiency, supporting the national policy, maintaining public interest, and maintaining the industrial growth and fair business competition.

18. The provisions of Article 37 are amended so as to read as follows:

Article 37

Any Banks or Non-Bank Institutions implementing APMK activities without Bank Indonesia's license as referred to in Article 2 paragraph (2), Article 5 paragraph (2), Article 7 paragraph (2), and Article 9 paragraph (2) shall be subject to the following administrative sanctions:

- a. termination of APMK activities for Banks; or
- b. termination of APMK activities by the authorized institution at the request of Bank Indonesia, for Non-Bank Institutions.

19. The provisions of Article 38 are amended so as to read as follows:

Article 38

- (1) Any Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers who breach the provisions of Article 3, Article

4, Article 8, Article 10, Article 12, Article 13, Article 14, Article 15, Article 15A, Article 16, Article 16A, Article 16B, Article 17, Article 17A, Article 17B, Article 18, Article 19, Article 21, Article 22, Article 23, Article 25, Article 26, Article 27, Article 29, Article 29A, Article 32, Article 33, Article 34, Article 35, Article 56, Article 57, Article 58, Article 58B shall be subject to the following administrative sanctions:

- a. Warning ;
- b. penalty;
- c. suspension of the partial or entire of APMK activities; and/or
- d. revocation of license of implementation of APMK activities.

(2) Further provisions on the mechanism of sanction imposition as referred to in paragraph (1) are regulated in a Circular Letter of Bank Indonesia.

20. Article 39 is deleted.

21. Article 40 is deleted.

22. Article 41 is deleted.

23. Article 42 is deleted.

24. Article 43 is deleted.

25. Article 44 is deleted.

26. Article 45 is deleted.

27. Article 46 is deleted.

28. Article 47 is deleted.

29. Article 48 is deleted.

30. Article 49 is deleted.

31. Article 50 is deleted.

32. Article 51 is deleted.

33. Article 52 is deleted.

34. Article 53 is deleted.

35. The provisions of Article 54 are amended so as to read as follows:

Article 54

- (1) In addition to the implementation of the sanctions as referred to in Article 38, Bank Indonesia is authorized to :
 - a. request the Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK to conduct and/or not to conduct certain activities;
 - b. suspend the partial or entire activities of the Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK;
 - c. cancel the granted license of APMK activities as a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Providers of APMK;
or
 - d. revoke the license of the implementation of APMK activities granted to the Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK.
- (2) The implementation of Bank Indonesia's authority as referred to in

paragraph (1) shall be based on among others the following conditions:

- a. the result supervision by Bank Indonesia showing that a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider of APMK fail to properly implement APMK activities;
- b. the competent authority requests Bank Indonesia to suspend the activities of a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider of APMK in order to support the applicable legal process;
- c. the supervisory authority gives recommendations pertaining to the deteriorating financial condition and/or weak risk management of a Bank or Non-Bank Institution;
- d. the supervisory authority submits a written request or gives recommendations to Bank Indonesia to suspend the activities of a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider of APMK ;
- e. the supervisory authority has revoked the business license and/or terminated the business activities of a Bank or Non-Bank Institutions conducting activities as Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK ; or
- f. a Bank or Non-Bank Institution, who has obtained license from Bank Indonesia, requests a license cancellation and/or revocation.

(3) Provisions on the mechanism of Bank Indonesia's authority implementation as referred to in paragraph (1) are regulated in a Circular Letter of Bank Indonesia.

36. Between Article 58 and Article 59, 2 (two) articles, namely Article 58A and Article 58B are inserted so as to read as follows:

Article 58A

The obligation to apply a minimum limit of age of a Card Holder applicant, minimum limit of income of a Card Holder applicant, maximum limit of credit ceiling, maximum limit of Credit Card obtainment as referred to in Article 15A, and maximum limit of Credit Card interest rate as referred to in Article 17A shall come into force on 1 January 2013.

Article 58B

- (1) An Issuer is required to make an adjustment to a Card Holder in order to fulfil the provisions on the risk management application as referred to in Article 15A.
- (2) The adjustment as referred to in paragraph (1) shall be applied within a maximum of 2 (two) years as of 1 January 2013.
- (3) A Credit Card Issuer is required to cooperate with another Issuer in resolving problems of a Card Holder who has Credit Cards exceeding the maximum limit of the number of Issuers and/or the maximum limit of credit ceiling allowed.

- (4) In order to resolve the problems as referred to in paragraph (3), an Issuer may oblige a Card Holder to solve his/her problem .
- (5) In order to make an adjustment to fulfill the limitation requirement as referred to in paragraph (1), an Issuer and a Card Holder may consult with Bank Indonesia.
- (6) Further provisions on the mechanism of adjustment as referred to in paragraph (1) and consultation as referred to in paragraph (5) are regulated in a Circular Letter of Bank Indonesia.

Article II

This Bank Indonesia Regulation comes into force from its promulgation date.

In order that every person may know hereof, it is ordered to promulgated this Bank Indonesia Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta

On 6 January 2012

GOVERNOR OF BANK INDONESIA,

SIGNED

DARMIN NASUTION

Promulgated in Jakarta

on 6 January 2012

MINISTER OF LAW AND HUMAN RIGHTS OF THE
REPUBLIC OF INDONESIA,

SIGNED

AMIR SYAMSUDDIN

ELUCIDATION OF
BANK INDONESIA REGULATION
NUMBER: 14/2/PBI/2012
ON
AMENDMENT TO
BANK INDONESIA REGULATION NUMBER 11/11/PBI/2009 ON
IMPLEMENTATION OF ACTIVITIES USING CARD-BASED PAYMENT
INSTRUMENTS

I. GENERAL

More than two years upon the last amendment of Bank Indonesia Regulation on the implementation of APMK activities in 2009, it is deemed necessary to improve the regulation. Such improvement is required to encourage healthier growth in APMK and reduce potential complaints from the users of APMK services.

In the use of Credit Card, such improvement is required since the credit risk management provisions that have to be referred to by an Issuer in Credit Card extension are deemed general, so that there are still Credit Card extension which are less appropriate targeted. Meanwhile, in Credit Card industry there are still lack of uniformity and transparency in the calculation of components of interest, fines, and fees, which in turn causes many complaints and reports in recent year .from Card Holders. Complaints from Credit Card users also arise from inappropriate practices in Credit Card debt payment collection.

A Credit Card is a payment instrument whose funds come from credit or financing, so that Bank Indonesia considers it necessary to more strictly regulate the requirements in obtaining a Credit Card and in setting a proper

maximum limit of interest rate to be imposed on Credit Card users. Requirements of minimum limit of age and minimum limit of income of a Credit Card holder applicant are necessary, so that Credit Card Holders will use their card wisely in accordance with their ability to pay.

In addition, in order to increase the conveniences in the use of Credit Cards as a payment instrument, and increase the protection aspect for Credit Card users, security and conveniences in the use of Credit Card will be improved. If each Issuer complies with the regulation and Card Holders understand the limits and comply the requirements, Credit Cards will grow healthily, which can overall support and maintain a secure and efficient payment system.

II. ARTICLE BY ARTICLE

Article I

Point 1

Article 1

Sufficiently Clear.

Point 2

Article 12

Paragraph (1)

Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers of APMK cooperate in this article are such parties operating within the territory of Republic of Indonesia.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Point 3

Article 13

Paragraph (1)

The term another party providing supporting services in information system and technology in the implementation of APMK are among others, service provider company such as switching company, personalization company, card printing company, and/or a company providing means of processing of APMK transactions.

The Cooperation between Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers with other parties providing supporting services in information system and technology in the implementation of APMK activities will be treated as a subcontract of a partial work of Principals, Issuers, Acquirers, Clearing Providers, and/or Settlement Providers to other parties, known as an Alih Daya activities.

Point a

Sufficiently Clear.

Point b

Sufficiently Clear.

Point c

Sufficiently Clear.

Point d

Sufficiently Clear.

Point e

Reports on the plan and realization of the cooperation with another party include information on a problematic Alih Daya .

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Point 4

Article 15

Paragraph (1)

The term “risk management” in this paragraph is among others liquidity risk management, credit risk management, operational risk management, and risk management in the use of information technology. In the risk management application, an Issuer or Acquirer must also have financial readiness to perform any payment obligations possibly arise in the event of Credit Card crimes.

also have financial readiness to perform any payment obligations possibly arise in the event of Credit Card crimes.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Point 5

Article 15A

Paragraph (1)

The Requirements of minimum limit of age, minimum limit of income, maximum limit of credit ceiling, and maximum limit of number of Issuers which may extend Credit Card facilities aim to make Credit Card Holders use their card wisely as a means of payment which funds are sourced from credit and the usage is in accordance with their ability to pay.

The minimum limit of age of a Card Holder applicant must be proven with official identity documents, such as resident's identity card, driving license, or passport.

The minimum limit of income of a Card Holder applicant is proven with official documents showing his/her minimum limit of income to be requested when the applicant submits his/her application.

The term “minimum income” means income after being deducted by liabilities, which are, among others taxes and debt payment to an employer (take-home pay).

Official documents include documents, such as salary slip, tax payment slip, or any other documents showing an income.

Paragraph (2)

At the time of the updating of Card Holder’s data, an Issuer requests among others official documents showing the income of the Card Holder’s concerned.

Paragraph (3)

A Credit Card Holder with an income higher than a certain amount will be deemed to have an ability to pay the Credit Card billing, so that the determination of credit ceiling limit and the number of the Credit Cards will be relied on the an Issuer’s risk appetite.

Paragraph (4)

The term of Credit Cards guaranteed by a Card Holder’s company or corporation excludes Credit Cards granted by an Issuer to and paid by the Card Holders company.

Paragraph (5)

Sufficiently Clear.

Paragraph (6)

Sufficiently Clear.

Point 6

Article 16

Paragraph (1)

The term “In writing” means information delivery to each Card Holder applicant and/or Card Holder in writing or illustration on certain media in the form public media such as brochures, leaflets, newspapers, and/or websites, or individual media such as welcome packs, billing statements, or any other means of information.

Information items which are required to be delivered by an Issuer are adjusted to the purpose of the information delivery which can delivered publicly through a public media and/or in a specific way to each Card Holder.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Point 7

Article 16A

Paragraph (1)

The term “delivery of billing statements to a Card Holder” means delivery of billing statements to a Card Holder at the address as agreed at the time of the application or its

amendment which has been confirmed to the Issuer.

Paragraph (2)

The term “extended payment time” means additional days after a due date of a Credit Card billing payment (grace days) if the due date falls on a holiday. Therefore, a Card Holder will have an extended time to pay his/her Credit Card billing. The extended payment time will not change the billing statement printing date until the due date (grace period).

The term “holiday” means a national holiday and/or a day on which an Issuer does not operate.

Paragraph (3)

Sufficiently Clear.

Paragraph (4)

Sufficiently Clear.

Article 16B

Paragraph (1)

Point a

Sufficiently Clear.

Point b

Sufficiently Clear.

Point c

Sufficiently Clear.

Point d

Sufficiently Clear.

Point e

Sufficiently Clear.

Point f

A posting date means the real date on which an Issuer makes payment to an ATM Provider for cash withdrawal transactions or to an Acquirer for purchase transactions conducted by a Card Holder.

Point g

Sufficiently Clear.

Point h

Sufficiently Clear.

Point i

Sufficiently Clear.

Point j

Sufficiently Clear.

Point k

Sufficiently Clear.

Point l

Sufficiently Clear.

Point m

Sufficiently Clear.

Point n

Sufficiently Clear.

Paragraph (2)

A change of information is submitted to an individual Card Holder.

Paragraph (3)

Sufficiently Clear.

Point 8

Article 17

Paragraph (1)

Sufficiently Clear.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Paragraph (4)

Sufficiently Clear.

Paragraph (5)

Sufficiently Clear.

Paragraph (6)

For internal purposes, a Credit Card Issuer may assessed a credit quality of Non-Bank institutions in a more prudent manner than Bank Indonesia provisions or the competent authority's provisions against However, for reporting purposes

to Bank Indonesia, credit quality assessment is based on Bank Indonesia provisions on credit quality assessment by commercial Banks.

Paragraph (7)

Point a

The term “Make uncompleted payment “means making a payment less than the minimum payment, equal to the minimum payment or higher than the minimum payment, but less than the total Credit Card debt billing.

Point b

Sufficiently Clear.

Point c

Posting date is the real date on which an Issuer makes a payment to an ATM Provider for cash withdrawal transactions or to an Acquirer for purchases transactions conducted by a Card Holder.

Point d

Payable fees, fines, and interest may not be used as interest components because such component are not transactions made by a Card Holder.

Cost components include, among others, administrative fee, duty stamp fee, billing statement printing fee, upgrade fee of type and/or limit of Credit Card, annual fee, and other fees. Meanwhile, fine components are among others late payment charge, fine for over limit, and other fines.

Payable interest means interest on the previous transaction principal which has not been paid by a Card Holder.

Point e

Sufficiently Clear.

Point 9

Article 17A

Paragraph (1)

Maximum limit of Credit Card interest rate is determined by considering among others:

- a. economic indicators such as Bank Indonesia rate;
- b. Credit Card fee structure including cost of fund, operational cost, and management of credit risk (risk premium) by an Issuer; and/or
- c. interest rate imposed by an Issuer.

Determination of maximum limit of Credit Card interest rate by Bank Indonesia may be adjusted in the event of change of the consideration basis mentioned above.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Paragraph (4)

Sufficiently Clear.

Article 17B

Paragraph (1)

Sufficiently Clear.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Paragraph (4)

Sufficiently Clear.

Point 10

Article 18

Paragraph (1)

Credit Cards as means of payment are used for purchase transactions at merchants or for cash advance transactions. The term Credit Card use other than the function of a Credit Card as a means of payment for example, it is use for an extension of other credit facilities and/or a payment of other credit installments.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

The term “Other credit facility” means credit facilities outside a Credit Card scheme, extended either by the Issuer concerned or by any other credit issuer, such as financing company, bank, and/or other financial institution.

Paragraph (4)

The term “Facility which may incur additional fees” in this article means, among others, an insurance program and extension of additional Credit Card(s).

The term “Other facilities other than Credit Card key functions” among others include routine billing for continuous transactions (electricity, water, telephone billing) and/or treatment of excessive Credit Card debt payment as savings which is treated as ordinary savings, so that it can be used for transactions other than Credit Card transactions such as fund transfer between Banks.

The term “Written consent of a Card Holder” means a consent granted by a Card Holder through communication media specifically built by a Credit Card Issuer for communication between the Credit Card Issuer and its customers including email, facsimile, or telephone which is then specified in an official record of the Credit Card Issuer’ concerned in the form of transcript or electronic media.

Point 11

Article 21

Paragraph (1)

The term Other parties providing supporting services in the implementation of APMK include a courier service, sales agent, or debt collection service.

Cooperation between an Issuer and such other party is treated as a Subcontract of partial work an Issuer to another party, known as Alih Daya activity.

Point a

The obligation of an Issuer to comply with Bank Indonesia provisions on the prudential principles for commercial Banks Subcontracting a partial work to another party applies to an Issuer in the form of Bank and a Non-Bank Institution.

Point b

Reports on the plan and realization of cooperation with another party include information on problematic Alih Daya

Point c

Sufficiently Clear.

Paragraph (2)

Sufficiently Clear.

Point 12

Article 25

The obligation to use rupiah in APMK activities is in line with the obligation to use within the Unitary State of Republic of Indonesia which is mandated in the Law on Currencies.

“Any action aimed for payment or fulfillment of obligations” include among others payment of Credit Card billing, fund

withdrawal through ATM, fund transfer through ATM, and purchase transactions at Merchants by using Credit Cards, ATM Cards, and/or Debit Cards.

Point 13

Article 29A

Paragraph (1)

The term “Transaction alert” means a message delivered by an Issuer to a Credit Card Holder on Credit Card transactions on which the Credit Card Holder needs to know in order to ensure that the transactions are actually made by the Card Holder concerned.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Other means may be in the form of email or telephone call.

Paragraph (4)

Sufficiently Clear.

Point 14

Article 30

The term “Sharia business unit” means the business unit specified in the Law on Sharia Banking.

The Adjustments of the sharia principles in the implementation of APMK activities by Sharia Commercial Banks, Sharia People Financing Banks, or sharia business units may take the form of for

example an adjustment to financing distribution, calculation of membership fee and fines, reimbursement of fees incurred by an Issuer (ta'widh), and also the usage and mentioning of terms.

Point 15

Article 32

Paragraph (1)

The obligation to provide a system which may be connected with APMK system is aimed, among others to increase the efficiency of APMK activities.

Paragraph (2)

Sufficiently Clear.

Point 16

Article 33

Paragraph (1)

The Change of data and/or information in the license documents includes change of name, office address, management (board of directors and/or board of commissioners), and change of other documents.

Paragraph (2)

Sufficiently Clear.

Point 17

Article 36A

Paragraph (1)

The determination of policy on limitation includes, among

others limitation of new license application as a Principal, Issuer, Acquirer, Clearing Provider, and/or Settlement Provider or limitation of a certain operational area.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

Sufficiently Clear.

Point 18

Article 37

Sufficiently Clear.

Point 19

Article 38

Sufficiently Clear.

Point 20

Sufficiently Clear.

Point 21

Sufficiently Clear.

Point 22

Sufficiently Clear.

Point 23

Sufficiently Clear.

Point 24

Sufficiently Clear.

Point 25

Sufficiently Clear.

Point 26

Sufficiently Clear.

Point 27

Sufficiently Clear.

Point 28

Sufficiently Clear.

Point 29

Sufficiently Clear.

Point 30

Sufficiently Clear.

Point 31

Sufficiently Clear.

Point 32

Sufficiently Clear.

Point 33

Sufficiently Clear.

Point 34

Sufficiently Clear.

Point 35

Article 54

Sufficiently Clear.

Point 36

Article 58A

Sufficiently Clear

Article 58B

Paragraph (1)

Adjustment to a Card Holder is conducted by an Issuer if the Card Holder fails to comply with the provisions on risk management application, for example a Card Holder with an income below the determined minimum limit of income, having a credit ceiling exceeds the determined limit, and/or having a Credit Card facility exceeds the maximum number of Issuers allowed.

Paragraph (2)

Sufficiently Clear.

Paragraph (3)

The Cooperation carried out may take the form of agreement to reduce the number of Issuers extending Credit Card facilities and/or to reduce the extended amount of credit ceiling.

Paragraph (4)

Sufficiently Clear.

Paragraph (5)

Sufficiently Clear.

Paragraph (6)

Sufficiently Clear.

Article II

Sufficiently Clear.